Examiners' Report
Lead Examiner Feedback

January 2022

Pearson BTEC Nationals
In Sport (21405J)
Unit 22: Investigating Business in the Sport and Active Leisure Industry

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications come from Pearson, the world's leading learning company. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications website at http://qualifications.pearson.com/en/home.html for our BTEC qualifications.

Alternatively, you can get in touch with us using the details on our contact us page at http://qualifications.pearson.com/en/contact-us.html

If you have any subject specific questions about this specification that require the help of a subject specialist, you can speak directly to the subject team at Pearson. Their contact details can be found on this link:
http://qualifications.pearson.com/en/support/support-for-you/teachers.html

You can also use our online Ask the Expert service at https://www.edexcelonline.com
You will need an Edexcel Online username and password to access this service.

Pearson: helping people progress, everywhere

Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your learners at: www.pearson.com/uk

January 2022
Publications Code 21405J_2201_ER
All the material in this publication is copyright
© Pearson Education Ltd 2022

Grade Boundaries

What is a grade boundary?

A grade boundary is where we set the level of achievement required to obtain a certain grade for the externally assessed unit. We set grade boundaries for each grade, at Distinction, Merit and Pass.

Setting grade boundaries

When we set grade boundaries, we look at the performance of every learner who took the external assessment. When we can see the full picture of performance, our experts are then able to decide where best to place the grade boundaries – this means that they decide what the lowest possible mark is for a particular grade.

When our experts set the grade boundaries, they make sure that learners receive grades which reflect their ability. Awarding grade boundaries is conducted to ensure learners achieve the grade they deserve to achieve, irrespective of variation in the external assessment.

Variations in external assessments

Each external assessment we set asks different questions and may assess different parts of the unit content outlined in the specification. It would be unfair to learners if we set the same grade boundaries for each assessment, because then it would not take accessibility into account.

Grade boundaries for this, and all other papers, are on the website via this link:
http://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html

Awarding BTEC qualifications in 2022

Ofqual has set out their plans for awarding qualifications in 2022 and intend to return to a normal, pre-pandemic, approach to grading standards over by 2023. They have confirmed that 2022 will be a transition year, to reflect that we are in a pandemic recovery period and students' education has been disrupted.

Our guiding principle and approach to awarding BTEC qualification results in 2022 will be to ensure parity in relation to the approach being taken for GCSE and A level learners. BTEC courses have a different structure and design to academic qualifications - BTECs are modular

qualifications (with assessments taking place throughout the course) compared to GCSEs and A levels which are linear (assessed and awarded at the same time at the end of the year), and therefore our approach needs to be different.

In 2022 we will return to the usual method of calculating BTEC qualification results, however adaptations including, U-TAGs and reduced internal assessment, are in place to provide a comprehensive package of support for students.

The basis of our awarding approach to BTECs this year is to ensure it is as fair as possible for all learners. We will use a range of evidence to set grade boundaries for the external units. Part of this evidence will be to closely monitor learner performance in all assessments that contribute to learners' final qualification grade, to ensure parity with A level and GCSEs.

Further information can be found on our website and via our Social Media channels.

Unit Code: Unit title

Grade	Unclassified	Level 3			
		N	P	M	D
Boundary Mark	0	9	19	30	42

Introduction

This was the seventh series of the level 3 Nationals specification for Unit 22: Investigating Business in the Sport and Active Leisure Industry. This unit is an extension of the previous QCF Unit 25: Sport as a business. This unit continues to be assessed externally through a task-based assessment. Due to COVID 19 the summer series in 2021 did not take place, however this 2022 series saw a 72% increase in learners sitting the examination in comparison to January 2021.

There have been 6 previous Lead Examiner reports available to centres to support preparation of their candidates for successful completion of the examination. Lead Examiner reports in the main highlight the same trends that learners continue to show across the full range of entries. This task based external assessment is 3 hrs long, split into 4 activities (or questions). These questions, along with the mark scheme remain consistent and are available through the Pearson website, along with past papers for preparation and support. The only element that changes is the scenario within each assessment, however the format of this and how its presented is also consistent

The release of Part A (2 weeks prior to the examination date) allows research for the paper, where candidates are expected to prepare notes that could be used within part B, under exam conditions.
A maximum of 4 pages of A4 notes are allowed to be developed in preparation.

Previous Lead Examiner reports, along with this one, continue to highlight the importance of the research preparation for the paper. It is essential that this preparation is undertaken robustly and that candidates are well prepared for the assessment, as the level of research included within the responses limits the score candidates can access.

The task-based assessment for January 2022 followed the same format as previous exam series, the Sample Assessment Material (SAM's) as well as the additional Sample Assessment Material available on the Pearson website

Paper Breakdown:

Activity1 focuses on the review and purpose of the business, its data and suitable research to support the business status. **There is a total of 16 marks for this question.**

Activity 2 requires candidates to undertake a business model analysis to clearly highlight the internal and external factors effecting the business in relation to competition. **There is a total of 16 marks for this question.**

Activity 3 requires candidates to make recommendations with reference to the development and marketing of the business. **There is a total of 20 marks for this question.**

Activity 4 requires candidates to make justifications linked directly to the recommendations and develop links to a wider business context. **There is a total of 12 marks for this question.**

Introduction to the Overall Performance of the Unit

There was a significant increase in numbers sitting this paper compared to January 2021 however candidates have performed in line with the comparable January 2021 series with just a 3% increase in the mean mark.

There has been a comparable use of supportive levels of research and preparation to support candidate's responses from what was observed within the pervious January series. In most cases, candidates incorporated research into their responses, and therefore were able to access the higher-grade boundaries. As always, it is essential that through Activity 1,2 and 4, research is included to support the response to gain the higher bandings. The research must be external (as in not the second business within the scenario to meet the higher bandings)

Stronger candidates continue to use the well-planned information and research available to them to develop their responses throughout the paper. As with all examinations for this paper, research notes can be produced to support Part B of the examination and are vital to support candidate responses, particularly in activity 1, 2 and 4, as there is credit available for supporting responses with suitable research from the wider business context (external businesses)

The lack of research included within activity 2 (analysis of the internal and external factors effecting the business -SWOT/PESTLE) limits the grade to a maximum band 1 (4 marks), and this has been seen again in the series, as with all other series, where candidates are using PESTLE as the links to external business examples are weak or non-existent.
SWOT responses were seen to be stronger. Higher bandings require competitor activity, supported by examples.

Activity 1 (16 marks)

As with all previous series, activity 1 was the lowest performing activity on the paper. Candidates have to be able to take information from part B, the unseen element, and ensure that they review the business by showing they understand the purpose of the type of business, interpret data and include suitable research to support these elements.
This is the most difficult of the activities to respond to, and as a result candidate's performance on this question still needs further development and focus. (further on within this document are ways to prepare and support candidates to respond to this question).
The paper scenario contains, as always, an abundance of data to be able to analyse and in this paper specifically there was a data set in the form of an 'income and expenditure' table (over 2-year period) to support the data responses of candidates, however in the main they tended to repeat, as opposed to analyse in any depth.

Activity 2 (16 marks)

Activity 2 contained stronger responses as was seen with all other papers, and the vast majority of leaners used the SWOT analysis to highlight the internal and external factors effecting the business. In fact, across the whole series there were only around 10 candidates that used the PESTLE analysis for the completion of this question.
The lack of research included to support responses is the limiting factor here on this question, as described above, specifically in the PESTLE analysis. Examiners allowed research to be applied anywhere within the response of this activity. The embedding of research to support the responses is being now implemented by learners, and it's clear that candidates are starting to support their points of the SWOT with examples from both Maxtrion (business 2) and external prepared research. This evidences centre is preparing learners more directly to create their A4 notes in relation to the requirements of the activity

As with all other previous papers, most candidates performed very well on the strengths and weaknesses of the business (internal), improved their understanding of opportunities (which links well into activity 3) however it was the threats (external) that was the limiting factor again.

It has been made clear in all Lead Examiner reports that threats must be **EXTERNAL** to the business (out of their control). If the business can control the factor then it should be placed outside of the Threats box. No credit is given to points made in the threats box that is in the control of the business (e.g. pricing). Using Maxtrion as a threat will allow one external to be credited (quality of response will determine banding here), however using Maxtrion as the only threat can only be counted as **one external threat**, no matter how many points are made, as this information is given to candidates in the paper and does not evidence preparation through development of other related businesses

The examples to wider research in general were limited in candidate's responses and there still needs to be clearer links made to the research as opposed to, in some cases, where candidates were just 'tagging on' research linked to a point they made, and not really using the research to support the response. For example, OPTIRO does x/y/z (taken from the scenario) …. just like Business A (not highlighting exactly how this is similar)

Maxtrion (competitor business) in some cases was the only business used to support responses and this will only allow candidates to achieve the lower bandings for this activity (max band 2 for trait 1)

Activity 3 (20 marks)

Activity 3 saw good candidate responses where there was a clear understanding of what the activity response requires. This question has been clearly articulated in all the previous Lead Examiner reports to emphasise that the ideas for development (recommendations) **do not require any supporting research**, yet have to be clearly developed, with examples of how they would be implemented, to score into the higher bandings. Key here is the development of the recommendation.

This response requires recommendations for the customers, the trends in the industry and meeting the needs of the business. All three elements need to be covered to reach the higher banding. Examiners looked to categories these recommendations into the three headings if the candidate had not specifically sectioned these off within the response. To gain

maximum marks on the coverage there must be 9 points made here (3 under each heading ideally), however each trait is also graded separately on the quality of its content, linked to the bands available.

Justifications were still being included in this response, and they are not creditworthy for activity 3, they need to be included in activity 4. **Candidates will not be credited at all for giving reasons in this response (e.g to maximise profit, to increase customer numbers etc)**

Candidates continued to include the WHY and this activity only requires the HOW. Candidates need to see this activity as the '**Planning for Improvement'** element of the paper – meaning that the information they include needs to be tangible, and could be implemented without anyone having to ask any further detail on what would the recommendation or plan be – Prepare this as a 'business plan' making sure that the reader could implement the recommendations without asking any further questions!

Activity 4 (12 marks)

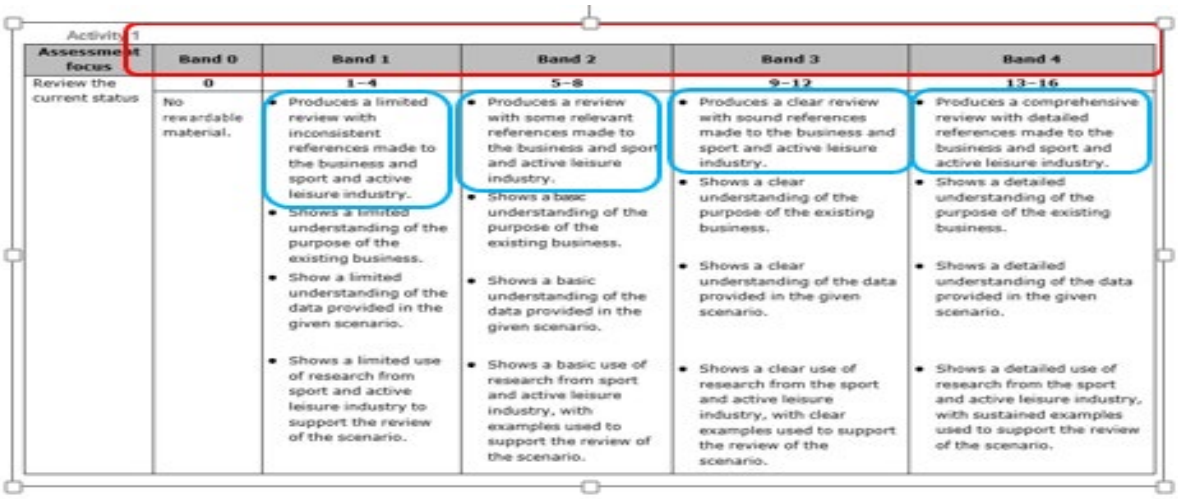
Activity 4, the research and preparation undertaken by candidates allows them to perform well on this question, as this is all about justifying the recommendation and supporting with relevant research to do this. This question requires candidates to very clearly justify the recommendations made and link these to wider research. Specific and sustained research needs to be included in candidate's responses for this activity. The level of justification for the recommendations in activity 3 needs consolidating and expanding to score into the higher bandings here.

Key to managing time and focus – Use the time wisely!

The most difficult element of this paper for most candidates has still been the ability to be very specific and focussed with their responses through the questions. There was a tendency for candidates to repeat themselves as they have in previous series, and include more information than was necessary in certain activities. This was particularly seen again in activity 3 and 4 where candidates were making recommendations, and giving reasons (justifications) in activity three, and then the development of the response for activity 4 was limited. **Justifications included in activity 3 are not awarded credit unless they are placed in activity 4. Activity 3 requires no link to research at all, and 20 marks are available.**

How the mark scheme works for Unit 22

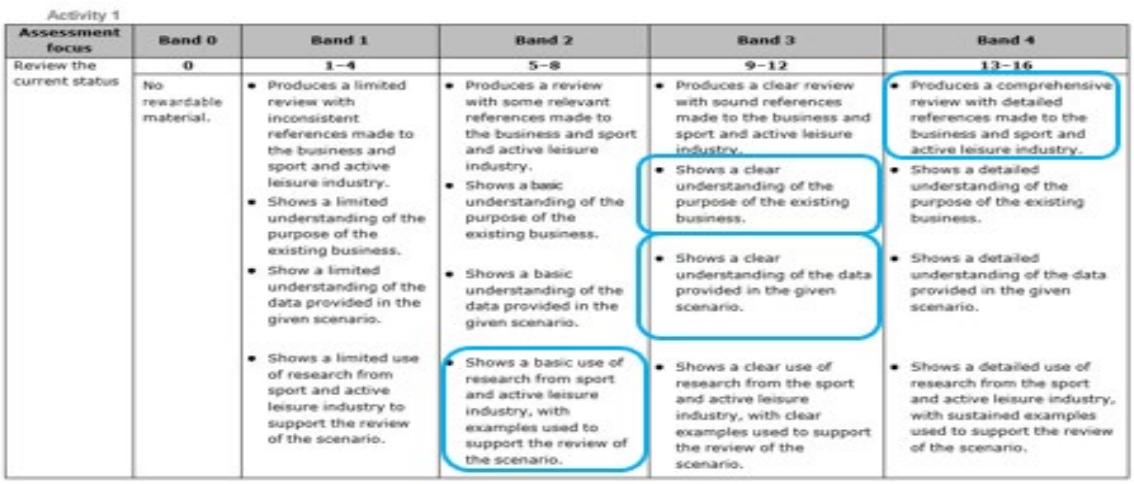
Mark schemes are set out into Bands and Traits
The traits are linked, and get progressively more difficult through the banding



Activity 1

Assessment focus	Band 0	Band 1	Band 2	Band 3	Band 4
Review the current status	0	1–4	5–8	9–12	13–16
	No rewardable material.	• Produces a limited review with inconsistent references made to the business and sport and active leisure industry. • Shows a limited understanding of the purpose of the existing business. • Show a limited understanding of the data provided in the given scenario. • Shows a limited use of research from sport and active leisure industry to support the review of the scenario.	• Produces a review with some relevant references made to the business and sport and active leisure industry. • Shows a basic understanding of the purpose of the existing business. • Shows a basic understanding of the data provided in the given scenario. • Shows a basic use of research from sport and active leisure industry, with examples used to support the review of the scenario.	• Produces a clear review with sound references made to the business and sport and active leisure industry. • Shows a clear understanding of the purpose of the existing business. • Shows a clear understanding of the data provided in the given scenario. • Shows a clear use of research from the sport and active leisure industry, with clear examples used to support the review of the scenario.	• Produces a comprehensive review with detailed references made to the business and sport and active leisure industry. • Shows a detailed understanding of the purpose of the existing business. • Shows a detailed understanding of the data provided in the given scenario. • Shows a detailed use of research from the sport and active leisure industry, with sustained examples used to support the review of the scenario.

Candidates do not have to be hit every trait within a band to be placed within that banding. Typically a candidate will have a response that may look like the example below



Activity 1

Assessment focus	Band 0	Band 1	Band 2	Band 3	Band 4
Review the current status	0	1–4	5–8	9–12	13–16
	No rewardable material.	• Produces a limited review with inconsistent references made to the business and sport and active leisure industry. • Shows a limited understanding of the purpose of the existing business. • Show a limited understanding of the data provided in the given scenario. • Shows a limited use of research from sport and active leisure industry to support the review of the scenario.	• Produces a review with some relevant references made to the business and sport and active leisure industry. • Shows a basic understanding of the purpose of the existing business. • Shows a basic understanding of the data provided in the given scenario. • Shows a basic use of research from sport and active leisure industry, with examples used to support the review of the scenario.	• Produces a clear review with sound references made to the business and sport and active leisure industry. • Shows a clear understanding of the purpose of the existing business. • Shows a clear understanding of the data provided in the given scenario. • Shows a clear use of research from the sport and active leisure industry, with clear examples used to support the review of the scenario.	• Produces a comprehensive review with detailed references made to the business and sport and active leisure industry. • Shows a detailed understanding of the purpose of the existing business. • Shows a detailed understanding of the data provided in the given scenario. • Shows a detailed use of research from the sport and active leisure industry, with sustained examples used to support the review of the scenario.

Examiners training allows them to then holistic mark the activity and place the grade within the correct band and grade accordingly within that band

Individual Questions

The following section considers each activity on the paper, providing examples of candidate responses and information regarding where responses were positive and scored well, and where the areas of focus are with regards preparing for future examinations.

This section should be considered with the live external assessment (January 2022) and corresponding mark scheme (once the paper is published and can be used for supporting future series)

Activity 1. Review of business information.

Review the current business status using the information provided in the set task information about Optipro

You should consider:

- the purpose
- the data
- your research of the sport and active leisure industry

Reviewing the business

The review should use the information from the current business Optipro and needs to consider the purpose, the data and supporting research undertaken in Part A, or the use of the second business within the scenario (Maxtrion)

As with all the previous papers there were a number of elements that could have been included within the candidate responses here, and all were credit worthy, so long as they were valid. Repetition of the scenario, and taking information directly from it, with no further expansion scored very low on this activity. The key here is to think about the IMPACT on the business, or how what the business does will affect it in the current position, or moving forwards.

Candidates could have included information regarding any of the potential areas below:

- Business Type (Ltd)
- Business Scope (Regional)
- Business Size (micro)
- Current Provision (activities)
- Staffing/roles/responsibilities (FT)
- Range of facilities/resources

Whatever information the learner decides to use from the scenario needs to link to the purpose of the business and to explain what the impact could be on the business.

To focus the response here candidates could use the following from the specification to structure their response:

- Make profit
- Survival and Growth
- Diversification
- Service Provision
- Marketing
- Customer Service and Satisfaction

The stronger responses in this paper were where candidates used the information from the scenario and linked it to the specification structure above, clearly identifying where the business was showing growth or decline (through the data figures), where their service provision was (facilities, access, session/activity times and dates etc), information on the marketing aspects and so on.

Candidates could have included that the business is a limited company, and information about what a limited company. This could have included liability, the pros and cons of a Ltd, regarding issues of profit, sickness and cover. Candidates could have included information that the business is regional, and what its potential USP is to attract its target demographics

Identifying the size of the business and the impact of the working patterns of the MD with regards full-time roles and responsibilities as a Personal Trainer (How does the conflict of the FT role as a PT impact the business).

Candidates identified this as a positive with regards their level of Knowledge and experience in nutrition as the MD, and others with conflicting workloads.

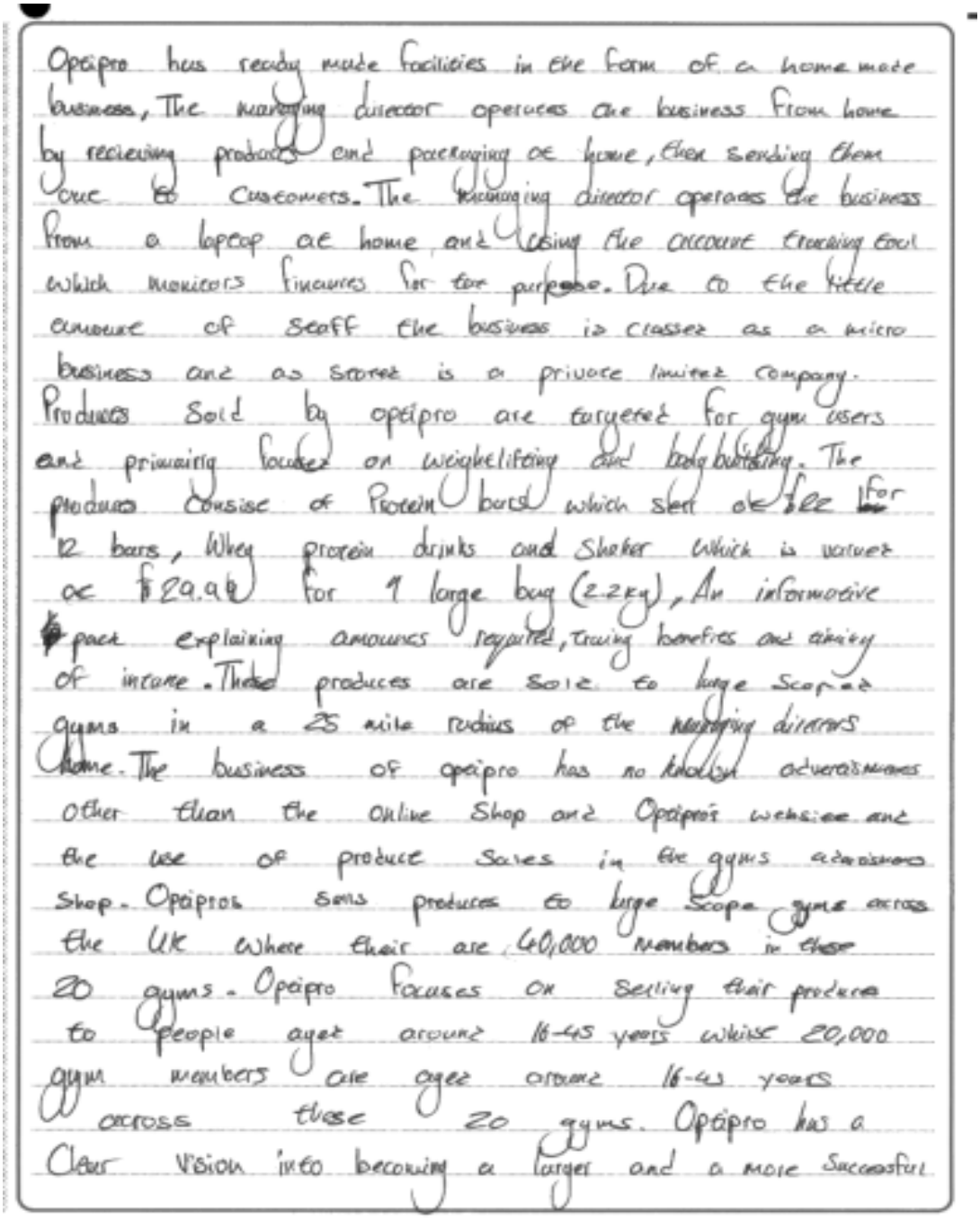
The response could have included the scope of the business (in this case focused locally/regionally) – highlighting that this was a limiting factor to the diversification was credited. Some individuals looked at the USP linking this to increasing the potential target demographic as this could be focused on all age groups, abilities and genders

The best structured responses maintained links with the scenario and the specification coverage. Highlighting that the business is looking to **increase profit (make profit), that they survive and grow, that they can be the market leaders within their demographic, that they have a good service provision(diversification), and high-quality customer service and satisfaction** focused candidate's responses.

It is important that whatever element the candidates focuses on from the scenario that they are linking it back to the purpose of the business. Ultimately all these will then develop profit, which would be the underlying theme for this response for a growing business

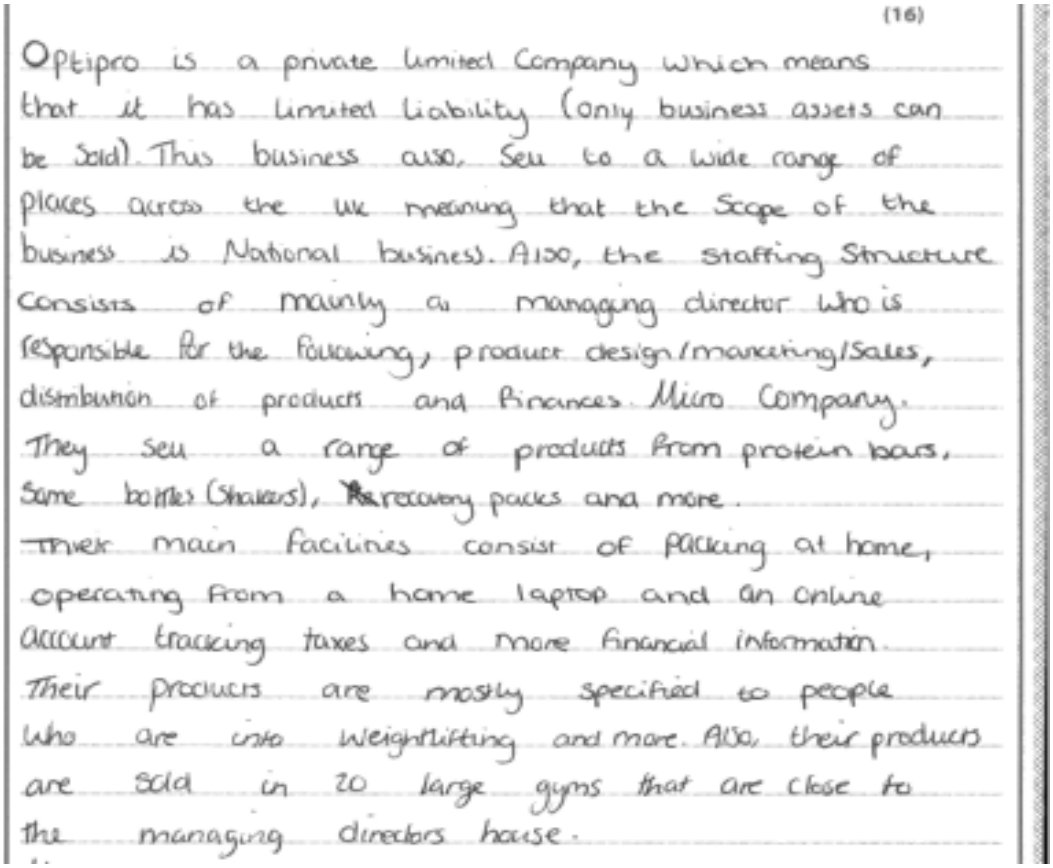
Ensuring that examples are incorporated that link to the points being made were important in this activity. The key for the higher banding here is to link similar and different elements of the presented business to other businesses. This can obviously include the second business (Maxtrion) however this will not allow higher banded responses. Only external research can command the higher banding here (band 3 and 4)

Example of candidate responses for the purpose



Optipro has ready made facilities in the form of a home made business, The managing director operates the business from home by recieving products and packaging at home, then sending them out to customers. The managing director operates the business from a laptop at home, and using the accounts tracking tool which monitors finances for the purpose. Due to the little amount of staff the business is classed as a micro business and as stated is a private limited company. Products Sold by optipro are targeted for gym users and primarily focuses on weightlifting and bodybuilding. The products consist of Protein bars which start at £20 for 12 bars, Whey protein drinks and Shaker which is valued at £29.99 for 1 large bag (2.2kg), An informative pack explaining amounts required, taking benefits and timing of intake. These products are sold to large scaled gyms in a 25 mile radius of the managing directors home. The business of optipro has no known advertisements other than the online shop and Optipros website and the use of product saves in the gyms advertisement shop. Optipros sells products to large scale gyms across the UK where their are 40,000 members in these 20 gyms. Optipro focuses on selling their products to people aged around 16-45 years whilst 20,000 gym members are aged around 16-45 years across these 20 gyms. Optipro has a clear vision into becoming a larger and a more successful

In this example there is a lot of repetition of the scenario. The candidate here is simply rewording what's in the exam paper, and not showing impact on the business. They have to demonstrate that the activity of the business has pros/cons, and link it to external research to support (see below for a specific example here)



(16)

Optipro is a private limited Company which means that it has limited liability (only business assets can be sold). This business also, sell to a wide range of places across the UK meaning that the Scope of the business is National business). Also, the staffing structure consists of mainly a managing director who is responsible for the following, product design/marketing/Sales, distribution of products and finances. Micro Company. They sell a range of products from protein bars, Same bottles (Shakers), recovery packs and more. Their main facilities consist of packing at home, operating from a home laptop and an online account tracking taxes and more financial information. Their products are mostly specified to people who are into weightlifting and more. Also, their products are sold in 20 large gyms that are close to the managing directors house.

In this example the candidate has indicated links of a PLC to limited liability, although further detail on the impact to the business would score higher marks. They have identified that the business is national and that it is a micro company. This will score lower banding however, with additional information around these points then the response would be stronger e.g. national business allows for a wider demographic and therefore potential income generation as more of the target audience could be reached. For example the candidate can extend the answer by identifying that online sale and marketing will support diversification, however this does then include more competitors such as (give example) which have the same/alternative produce ranges available and therefore outprice Optipro (or not - dependant upon the response link). The additional links and information they can discuss here look at IMPACT to the business, and therefore increased marks achieved.

Data

There was plenty of data for candidates to use to evidence their understanding of this area. Data available from this scenario included:

- **Income and operational costings/expenditure**
- **Pricing/discounts**

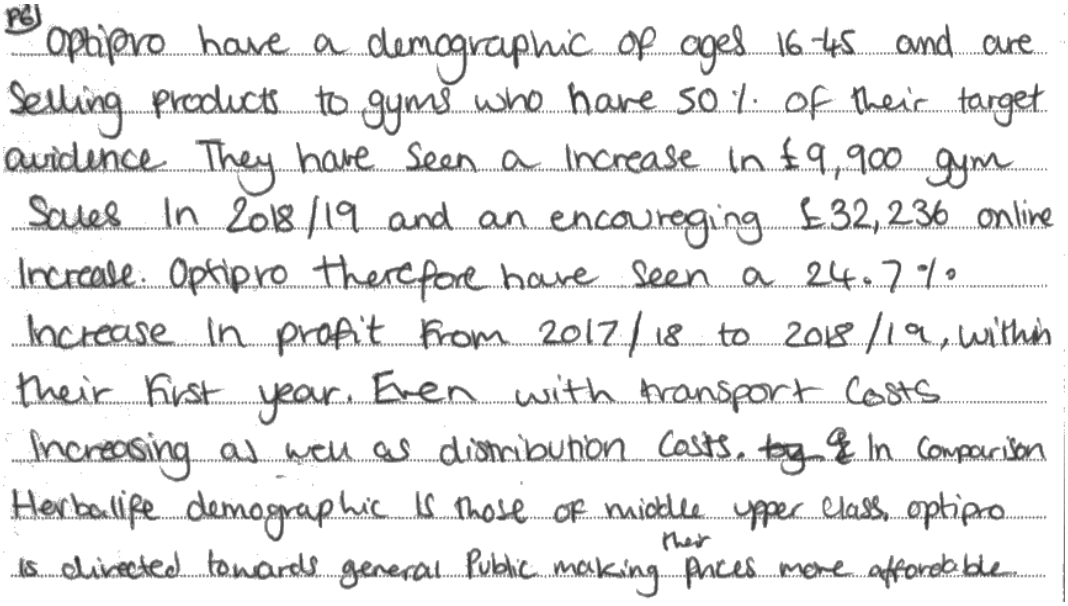
Data was not well used again throughout this series even though there was a significant data information included in the income and operational costings table.
As with previous papers there tended to be a repetition of the information from the scenario, as opposed to analysis of the data to support the review. **Examiners were looking to see how candidates could use the data, make links between the data sets, and link it to the impacts on the business**. If candidates simply regurgitated the scenario information they could not move out of the lower banding (limited understanding). To move up through the banding's candidates needed to interpret the data.

The strongest candidates used the income and operational costings to highlight that there had been a increase in the product manufacturing budget (linked to increased sales, specifically online -200% increase in sales). Stronger candidates also linked that distribution costs were significantly elevated due to the increased online sales, and that fixed costs such as legal costs and online accounting tools had remained consistent, therefore allowing increased profit. Stronger candidates also indicated that only 50% of the gym users were within the target audience (16-45 years) so there was a limited demographic here to increase sales moving forwards.

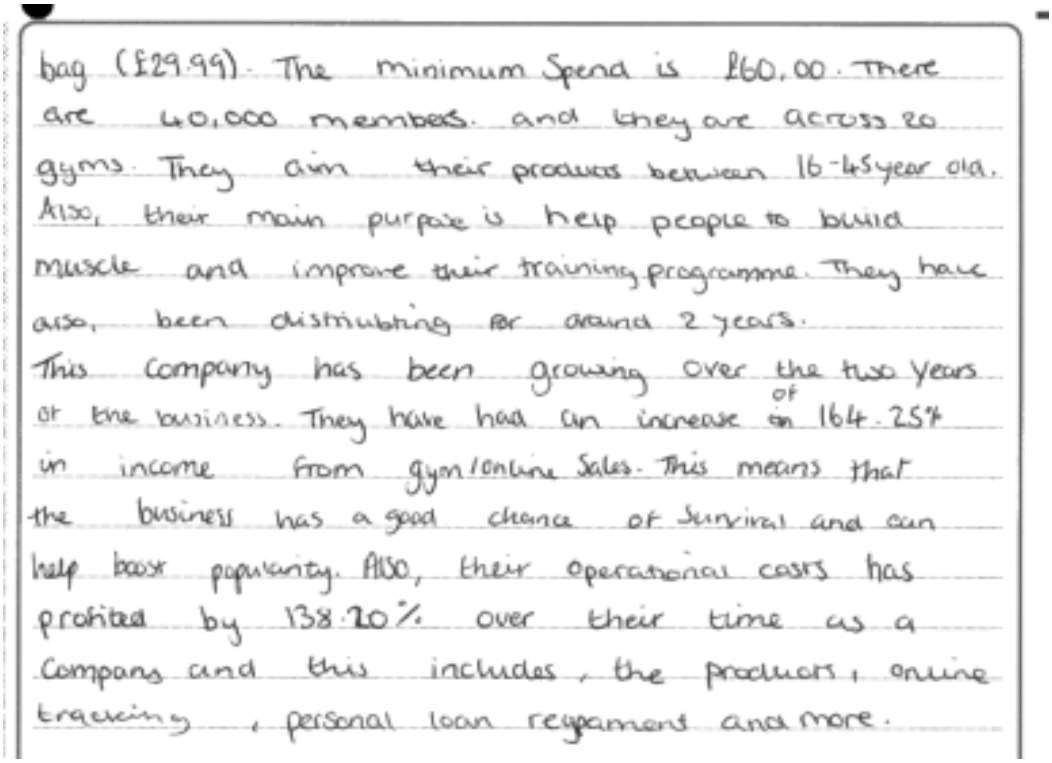
If candidates were starting to make clear links with data sets, looking how this could potentially affect the business in other areas the higher bandings were awarded

The full range of data available would not need to be included, but candidates needed to show that they can extrapolate this information and interpret it linking it to the business

Examples of candidate responses for data


P6) Optipro have a demographic of ages 16-45 and are selling products to gyms who have 50% of their target audience. They have seen a increase in £9,900 gym sales in 2018/19 and an encouraging £32,236 online increase. Optipro therefore have seen a 24.7% increase in profit from 2017/18 to 2018/19, within their first year. Even with transport costs increasing as well as distribution costs. ~~tog~~ & In comparison Herbalife demographic is those of middle upper class, optipro is directed towards general Public making their prices more affordable.

Here the candidate indicated the demographic impact, and that distribution costs have risen.
They do get the % increase of profit incorrect however identify that the largest changes to income are linked to the online sales. If they linked the increased distribution to the online sales clearly, this would have scored higher. The research included here is basic, however does try to indicate that the demographics of the two companies are different and how that may make an impact on pricing, however this is not explained well enough. This response would score lower bands



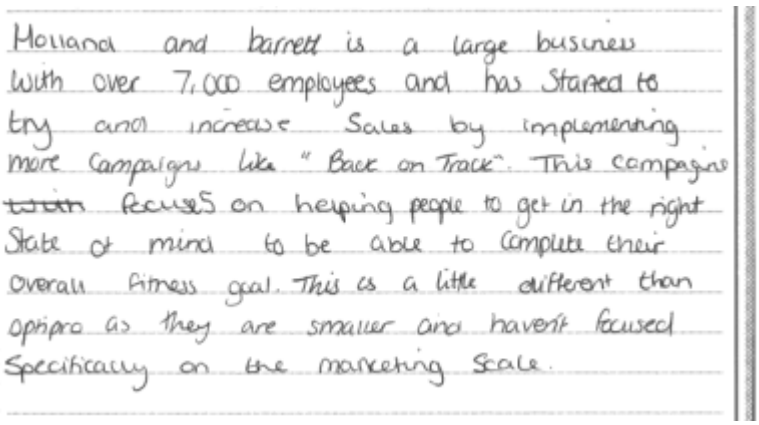
bag (£29.99). The minimum Spend is £60.00. There are 40,000 members and they are across 20 gyms. They aim their products between 16-45 year old. Also, their main purpose is help people to build muscle and improve their training programme. They have also been distributing for around 2 years.
This company has been growing over the two years of the business. They have had an increase of 164.25% in income from gym/online sales. This means that the business has a good chance of survival and can help boost popularity. Also, their operational costs has profited by 138.20% over their time as a Company and this includes, the products, online training, personal loan repayment and more.

Here the candidate uses the pricing structure to cover data. In this case the % increase is correct related to the income and this is linked to survival. They have shown a lack of understanding about operational costs (as they have linked this % to profit). There is repetition in the early part of the response which will only score lowest band (and therefore not pass). To score higher bands, the learner needs to pick out the data they are going to analyse, get the analysis correct, and link it clearly to the impact on the business. E.g. increased profit would allow business to e.g develop a stronger marketing campaign, hire additional sales staff and therefore widen the demographic potentially.

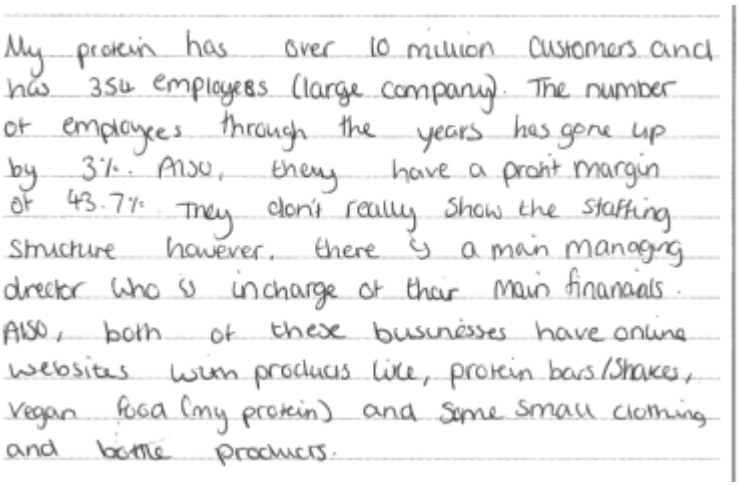
Research

Research needed to be specific to the point that was being made and relate to the information from the scenario. Research could have been included on any element discussed within in this activity. It was important to reach the higher banding that external research (outside of Maxtrion) was used. Band 3 and 4 could not be achieved without the inclusion of external research. Research needed to be relevant. Some candidates were simply 'bolting on' the name of a researched business to the point that they were making.

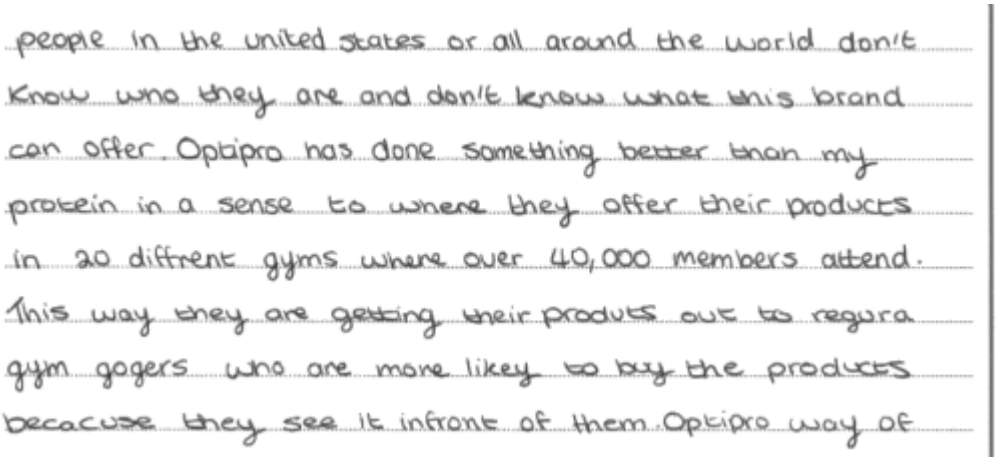
Examples of a research supported response


Holland and barrett is a large business with over 7,000 employees and has started to try and increase Sales by implementing more campaigns like "Back on Track". This campaign ~~train~~ focuses on helping people to get in the right State of mind to be able to complete their overall fitness goal. This is a little different than optipro as they are smaller and haven't focused Specifically on the marketing Scale.

Here Holland an Barret is used to emphasise the use of campaigns to drive sales. This shows how this campaign works, or tries to hit a specific demographic, and how this compares to Optipro. This response will potentially support activity 3 with recommendations.


My protein has over 10 million customers and has 354 employees (large company). The number of employees through the years has gone up by 3%. Also, they have a profit margin of 43.7%. They don't really show the staffing structure however. there is a main managing director who is incharge of their main finanaals. Also, both of these businesses have online websites with products like, protein bars/Shakes, vegan food (my protein) and some small clothing and bottle products.

Here My Protein is used to identify the similarities, specifically with the online product sales. Examples of what they sell that's similar is included. Identification of what's different could be included, again in preparation to support activity 3, but also to emphasise the product range diversity of the larger company. There are lots that the research can support here e.g. What is My Proteins best selling product? Do Optipro have this?, what are the demographics/target audiences?. All these can be used to support the similarities/differences between the 2 businesses.


people in the united states or all around the world don't know who they are and don't know what this brand can offer. Optipro has done something better than my protein in a sense to where they offer their products in 20 diffrent gyms where over 40,000 members attend. This way they are getting their produts out to regura gym gogers who are more likey to buy the products becacuse they see it infront of them. Optipro way of

This example shows a positive for Optipro against a world leading nutrition company. The candidate indicates that this is good to ensure there is a regular market (from gym users) as it is more visible, and in the place where they train.

Mark scheme for activity 1

Activity 1

Assessment focus	Band 0	Band 1	Band 2	Band 3	Band 4
Review the current status	0	1–4	5–8	9–12	13–16
	No rewardable material.	• Produces a limited review with inconsistent references made to the business and sport and active leisure industry. • Shows a limited understanding of the purpose of the existing business. • Show a limited understanding of the data provided in the given scenario. • Shows a limited use of research from sport and active leisure industry to support the review of the scenario.	• Produces a review with some relevant references made to the business and sport and active leisure industry. • Shows a basic understanding of the purpose of the existing business. • Shows a basic understanding of the data provided in the given scenario. • Shows a basic use of research from sport and active leisure industry, with examples used to support the review of the scenario.	• Produces a clear review with sound references made to the business and sport and active leisure industry. • Shows a clear understanding of the purpose of the existing business. • Shows a clear understanding of the data provided in the given scenario. • Shows a clear use of research from the sport and active leisure industry, with clear examples used to support the review of the scenario.	• Produces a comprehensive review with detailed references made to the business and sport and active leisure industry. • Shows a detailed understanding of the purpose of the existing business. • Shows a detailed understanding of the data provided in the given scenario. • Shows a detailed use of research from the sport and active leisure industry, with sustained examples used to support the review of the scenario.

Activity 2. Business model analysis

Using the SWOT **or** PESTLE business model, analyse the factors that are currently affecting

For this question the vast majority of the candidates opted to use the SWOT analysis which has been successful. Where candidates chose to use the PESTLE analysis, there was a clear lack of competitor activity within the response, and therefore they could not move out of Band 1 – The PESTLE analysis therefore, without the correct incorporation of eternal examples limits the activity outcome to max 4 marks.

Using SWOT, this was a well-developed response overall, however with a few modifications higher bandings could easily have been achieved by a number of candidates. Following the guidance in the SMLW (Sample Marked Learner work) and previous Lead Examiner reports and exam papers, most candidates set out the SWOT originally in a table form under the 4 headings, then went into further detail to expand this response. This has tended to be the best approach to completing this question successfully, as the plan structures the response and ensures coverage of all elements.

KEY POINT

For traits 2 and 3 (knowledge an application of the business model) candidates are required to make at least 3 points under each correct heading (SWOT), using external research to support their answer to score in the top band (band 4) . There must be a minimum of at least 2 suitable external businesses used in this activity to score into this highest banding.

It is then the quality of the response from limited (band 1) to detailed (band 4) that examiners were looking for.

This question for the SWOT analysis requires candidates to clearly place the correct information into the right position within the business model. It's important that candidates understand that there are internal and external factors that are affecting the business.

The strengths and weaknesses (internal) were in general well-presented candidate responses. Opportunities and threats (external) are where

candidates struggled with this response, specifically the threats. Threats need to be external, and must be 'out of the control' of Optipro

If they are in control, and Optripro can have direct influent over them, then they are potentially weaknesses or opportunities

Where candidates completed this response with just the SWOT analysis list/table without any examples of information regarding the points that they had made, then this response could reach a maximum of 4 Marks (information presented in the table format must be suitable and relevant to be awarded credit) if they had included 3 correct points under each heading.

Therefore if candidates plan the SWOT analysis out, clearly highlighting 3 points under each of the correct heading, without any further detail or research they can score 4 marks on this question

KEY POINT

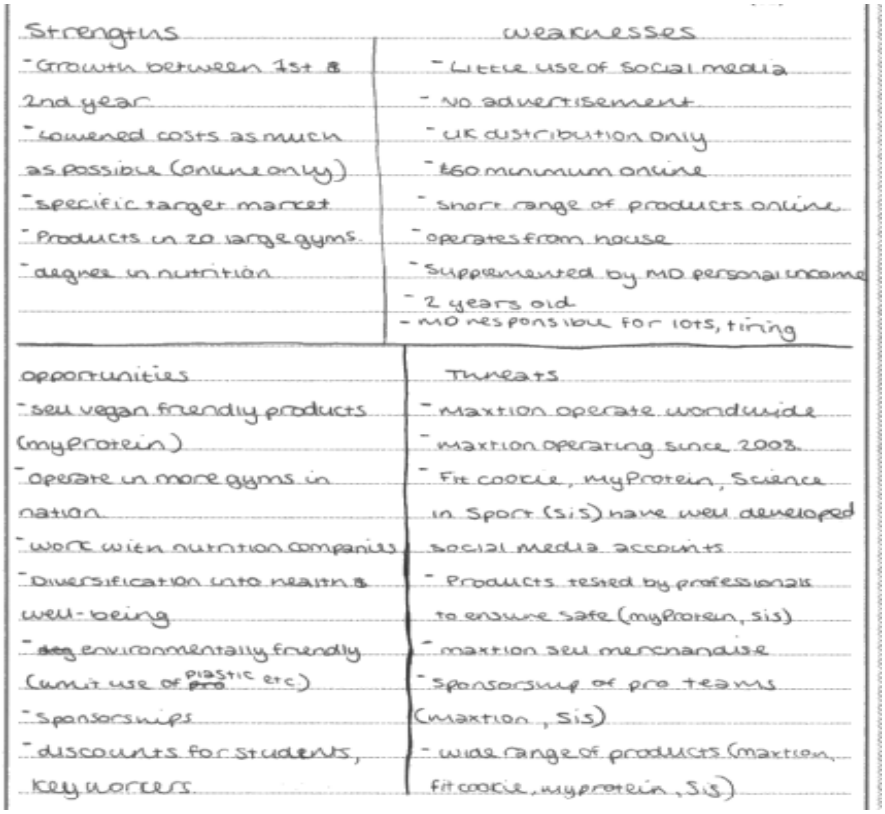
The research element of this question is where candidates failed to achieve the grade they were capable, especially if using PESTLE analysis. Considering the mark scheme for this activity, to move into band 2, competitor activity must be used to support the responses being given (see below). No research (the scenario company Maxtrion would be credited here) limits candidates to the bottom band, so whatever the quality of their response, no research limits the marks available.

Activity 2

Assessment focus	Band 0	Band 1	Band 2	Band 3	Band 4
Analyse the internal and external influences	0	1–4	5-8	9-12	13-16
	No rewardable material.	• Produces a limited analysis of internal and external factors that influence the business. • Demonstrates a limited knowledge	• Produces a basic analysis of internal and external factors, including competitor activity, that influence the business, supported by examples	• Produces a sound analysis of internal and external factors, including competitor activity, that influence the business, supported by sound examples and	• Produces a detailed analysis of internal and external factors, including competitor activity, that influence the business, supported by detailed examples drawing on

It is important to note, that the research (competitor) could link to any point made throughout the response, under any of the headings, as long as it is relevant. The most obvious areas here to link to is external (opportunity and threat), however included anywhere it would be credited.

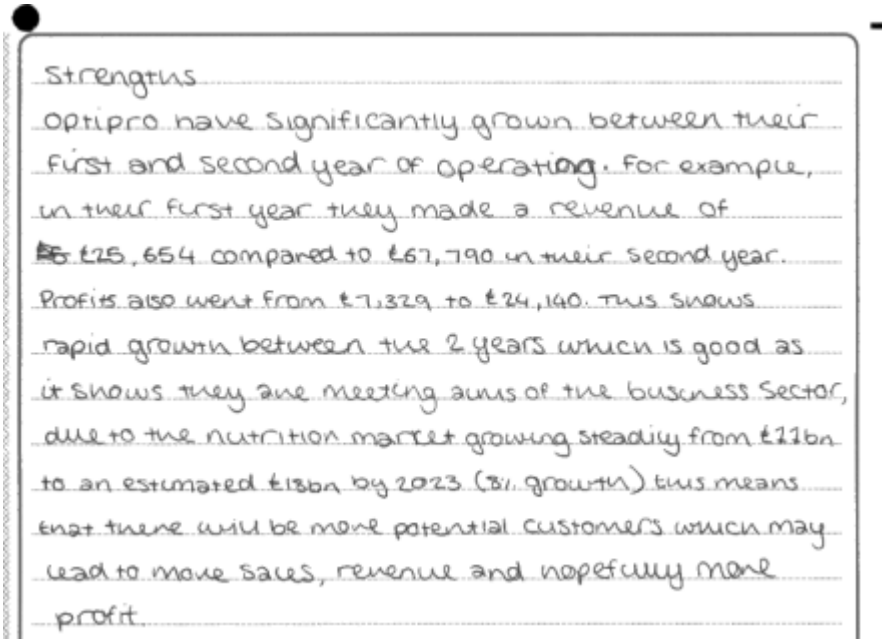
Example of a learner response



Strengths	Weaknesses
- Growth between 1st & 2nd year - lowered costs as much as possible (online only) - specific target market - Products in 20 large gyms - degree in nutrition	- Little use of social media - no advertisement - UK distribution only - £60 minimum online - short range of products online - operates from house - supplemented by MD personal income - 2 years old - MD responsible for lots, tiring

Opportunities	Threats
- sell vegan friendly products (myProtein) - operate in more gyms in nation - work with nutrition companies - Diversification into health & well-being - ~~dog~~ environmentally friendly (limit use of ~~pro~~ plastic etc) - Sponsorships - discounts for students, key workers	- Maxtrion operate worldwide - maxtrion operating since 2008. - Fit cookie, myProtein, Science in Sport (SiS) have well developed social media accounts - Products tested by professionals to ensure safe (myProtein, SiS) - maxtrion sell merchandise - Sponsorship of pro teams (maxtrion, SiS) - wide range of products (maxtrion, fit cookie, myprotein, SiS)

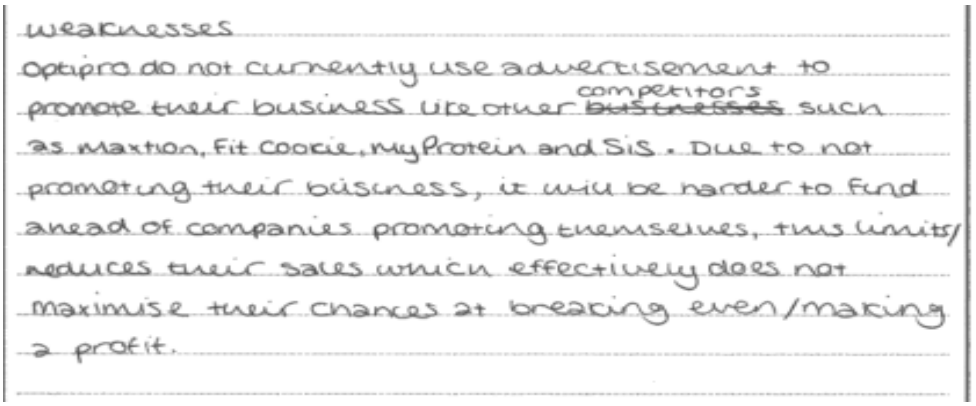
This is a good example of a learner planning the SWOT analysis response. This ensures that they have full coverage of each area (3 in each for top marks on coverage). The important part of this plan is that in the threats box they have included other threats than Maxtrion. If the threats only include Maxtrion then this can only be classed as 1 external threat, no matter how many points are made, and therefore reduces the potential marks that can be achieved. The explanation and quality of the response is still the main driver for achieving higher grade boundaries, but to get top marks, at least 2 external competitors need to be included within the response. If learners concentrate on placing these external competitors within the threats section, and include maxitron, then they are more likely to achieve higher grades here.



Strengths

Optipro have significantly grown between their first and second year of operating. For example, in their first year they made a revenue of £25,654 compared to £67,790 in their second year. Profits also went from £7,329 to £24,140. This shows rapid growth between the 2 years which is good as it shows they are meeting aims of the business sector, due to the nutrition market growing steadily from £11bn to an estimated £13bn by 2023 (3% growth) this means that there will be more potential customers which may lead to more sales, revenue and hopefully more profit.

This candidate response clearly indicates the strength in profit improvement. They have supported this with external research, and although its not directly linked to a competitor business, its relevant here linked to the point being made, therefore will be credited for external research.

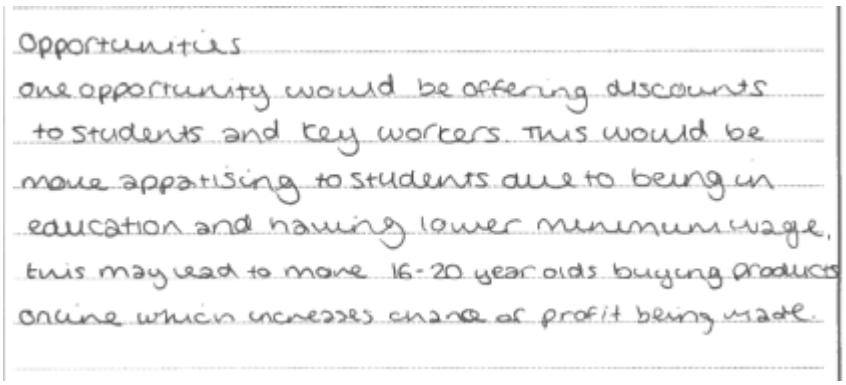


weaknesses

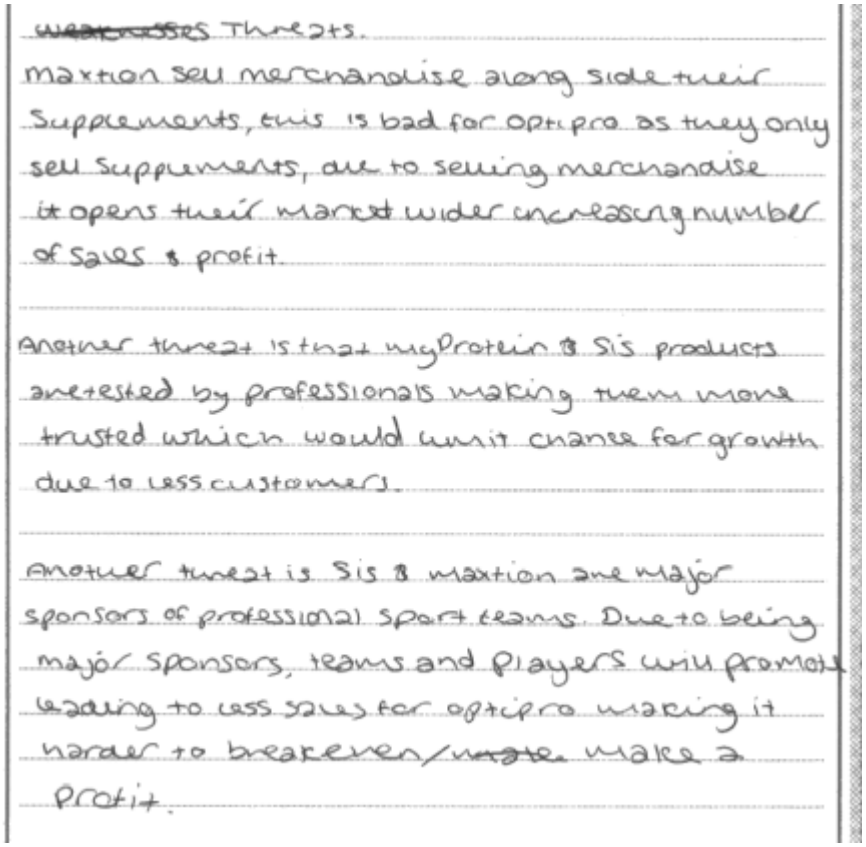
Optipro do not currently use advertisement to promote their business like other competitors such as Maxtion, Fit Cookie, MyProtein and SiS. Due to not promoting their business, it will be harder to find ahead of companies promoting themselves, this limits/reduces their sales which effectively does not maximise their chances at breaking even/making a profit.

This candidate response clearly highlights advertisement as the weakness. They give the reasons for how the lack of advertisement will impact the business. The reasons for lack of advertisement as a weakness are good, and would score band 3 (sound). The research is limited however as it does not give examples of how any of the other businesses advertise. This therefore will not be credited for research. To get the research credit then they could indicate that My Protein uses social media ...such as Instagram to promote product ranges that include protein shakes and are endorsed by

celebrities like 'celebrity X'. The whole activity only needs 2 external competitors to score top marks for competitor activity.


Opportunities
one opportunity would be offering discounts to students and key workers. This would be more appealing to students due to being in education and having lower minimum wage, this may lead to more 16-20 year olds buying products online which increases chance of profit being made.

This response for opportunities is well structured. It identifies the target audience for students (16-20) and key works (example of who this would include would strengthen the response e.g paramedics). The reasons why this is an opportunity does include a few points (lower wages, buy more products online, increase profit) which shows a structured thinking to the answer. Extending this to identify that the 16-20 bracket is in Optipro's current demographic (16-45) would tie the full response specifically back into the scenario, and score higher as a result. Linking the online sales to students (who may not be able to attend the gym due to financial constraints) would again strengthen the response



~~Weaknesses~~ Threats.

Maxtion sell merchandise along side their supplements, this is bad for Optipro as they only sell supplements, due to selling merchandise it opens their market wider increasing number of sales & profit.

Another threat is that myProtein & SIS products are tested by professionals making them more trusted which would limit chance for growth due to less customers.

Another threat is SIS & Maxtion are major sponsors of professional sport teams. Due to being major sponsors, teams and players will promote leading to less sales for optipro making it harder to breakeven/~~make~~ make a profit.

These three responses would score maximum on coverage for threats, as 2 are external (SIS and MY protein) and one is Maxtrion (therefore 3 points made). The quality of the explanation is basic, and would score band 2. The points made have basic analysis of the impact to Optipro. Basic analysis mainly consists of 1 point to highlight the threat (e.g products tested by professionals). As an example …'Why are products tested by professionals more trusted ? 'would take the middle response to high bandings (e.g. builds confidence of the buyer as they see results in individuals who are role models)

All responses here will be considered for awarding, if they are suitably placed within the business model analysis and have sufficient detail to support their inclusion

Overview of most popular responses for the SWOT analysis (taken from a range of learner responses)

INTERNAL	
Strength	**Weaknesses**
• Well experienced MD with knowledge of the market audience (PT FT job) • Wide target audience (UK distribution Online) • Strong product range – facilities on the course • Website covers key information • Local base allows reduced travel and logistics issues • Pricing low in comparison to other equivalent* • FT Job allows word of mouth/sales/marketing/Promotion	• Local based only (Gym sales) • limited age range in Gym demographics (16-45) • Pricing high in comparison to other equivalent* • Limited product range – very specific • FT job on the side (conflicting priorities/time) • £60.00 minimum order spend online (hard for beginners) • Expansion challenges as the business grows (distribution)
EXTERNAL	
Opportunities	Threats (out of the control of Optipro)
• Widen Gym sales • Social media presence to enhance promotion and brand awareness • Widen age range and target audience inside gyms – different market/product • Wider range of product offer • Better packages/pricing/discounts/ • Memberships offers/discounts • Link product to training plans – e,g product a comes with training plan/diet advice and guidance • Diversify – sell gym equipment to support training plans/nutrition • Website to include Q+A sessions to support customers making correct choices • Website to include Good news stories/successful customer feedback	• Maxtrion (IF THEY ONLY Maxtrion as a threat no matter how many points, only class it as ONE THREAT • Other online businesses • Current Gyms changing suppliers • Manufacturing costs increasing • Transport costs increasing (petrol etc)

KEY POINT 2

If Maxtrion (the second business) is used under the threats box it is only counted by examiners as one threat (i.e Maxtrion is the threat), no matter how many points are made. For example, if in the threats the following were included (from example above):

- ***Maxtrion– better pricing***
- ***Maxtrion – better range of product***
- ***Maxtrion - distribution demographic***

This would only be credited as ONE threat (for top band there needs to be 3 in the threats section that are relevant)

Mark scheme for activity 2

Activity 2

Assessment focus	Band 0	Band 1	Band 2	Band 3	Band 4
Analyse the internal and external influences	0	1–4	5-8	9-12	13-16
	No rewardable material.	• Produces a limited analysis of internal and external factors that influence the business. • Demonstrates a limited knowledge and understanding of the business model used. • Demonstrates a limited understanding of how to apply a business model when analysing the business.	• Produces a basic analysis of internal and external factors, including competitor activity, that influence the business, supported by examples • Demonstrates a basic knowledge and understanding of the business model used. • Demonstrates a basic understanding of how to apply a business model when analysing the business.	• Produces a sound analysis of internal and external factors, including competitor activity, that influence the business, supported by sound examples and some reference to wider research • Demonstrates a sound knowledge and understanding of the business model used. • Demonstrates sound understanding of how to apply a business model when analysing the business.	• Produces a detailed analysis of internal and external factors, including competitor activity, that influence the business, supported by detailed examples drawing on wider research • Demonstrates a detailed knowledge and understanding of the business model used. • Demonstrates a detailed understanding of how to apply a business model, when analysing the business.

Activity 3. Recommendation

Recommend how Optipro can develop and market itself.

You should consider:

- customer groups
- trends in the industry
- the needs of the business.

This question requires no external research to be included and holds the largest amount of credit on the paper, a total of 20 Marks.

Candidates need to make recommendations that will allow Optipro to develop and market itself moving forwards. Candidate responses were taken at face value here and there was no set responses for examiners to use to award credit. If recommendations were suitable, and they could positively impact the business then they were available to be credited.

KEY to this question: HOW (not WHY)

The vast majority of candidates who scored well on this activity focused very much on the HOW. The best way to think about supporting leaners to complete this question is to make them think, the following:
'If someone was to come and pick up the recommendations they were suggesting, that they would have enough detail to implement them, without asking the candidate any more questions'

The deeper the level of detail the recommendation goes into, the higher the grade boundary.

NO REASONS and NO RESEARCH – HOW ONLY

The response to the activity however does need some structure. Candidates must cover
recommendations under the required traits: **customers, trends and business.** This is where there was some confusion over which heading they fall under, however examiners were trained to support the when marking, and if headings were incorrect, they credit was still given under the right heading so candidates should look to structure this answer using the three headings

- **CUSTOMER**
- **TRENDS**
- **BUSINESS**

Candidates were structuring this question well and clearly articulating the HOW in the main– this is the biggest mark available on the paper so getting this question right is essential

Candidates need to ensure that they cover all the three elements of this activity to score into the higher bandings

To reach band 4 there must be a spread of recommendations from each trait (customers, trends and business) -3 in each were required – some could be small, and others larger, but the coverage must be in place. Looking at the banding for this activity it is clear that the response needs to be detailed, and more importantly comprehensive to reach the higher banding. By setting the response out into the individual traits then candidates can be sure that they are more likely to be comprehensive in all areas.
Example of structuring the response

Recommendation 1:

Create discount schemes

- There will be 15% discount for first purchase (in Gym) and 10 % online
- Free sample (latest product range) will be provided in every gym with spends over £25.00
- 10 % of next order (if you recommend a friend to purchase online)

Recommendations could have included information below (not exhaustive). Setting put a plan, link in activity 2 could ensure that the full coverage is in place.

Trait 2: CUSTOMERS

- **Customer service** (e.g FAO on website/face to face meetings with MD)
- **Special offers** (e.g. promotions, customer loyalty schemes/different membership types)
- **Communicating with customers** – (e.g. taking on feedback to improve customer service)
- **Developing activities offered to certain groups** (e.g. specific packages for age groups and exercise outcomes,
- **Develop other options for customers** (e.g subscription for friends and family)

Trait 3: TRENDS

- **New 'on trend' offers** (e.g. tailored and individualised packages)
- **Advertisement and Marketing** (social media outlets – twitter/instagram/linkedIn)
- **Develop a USP** (e.g. something that other business don't currently offer that's attractive to participants - (focus the USP)
- **Changes in participation** (e.g. how Optipro could improve for specific groups – not just weightlifters/body builders)
- **Increased mass participation events** (e.g. link with gym for free sampling on Gym open days)

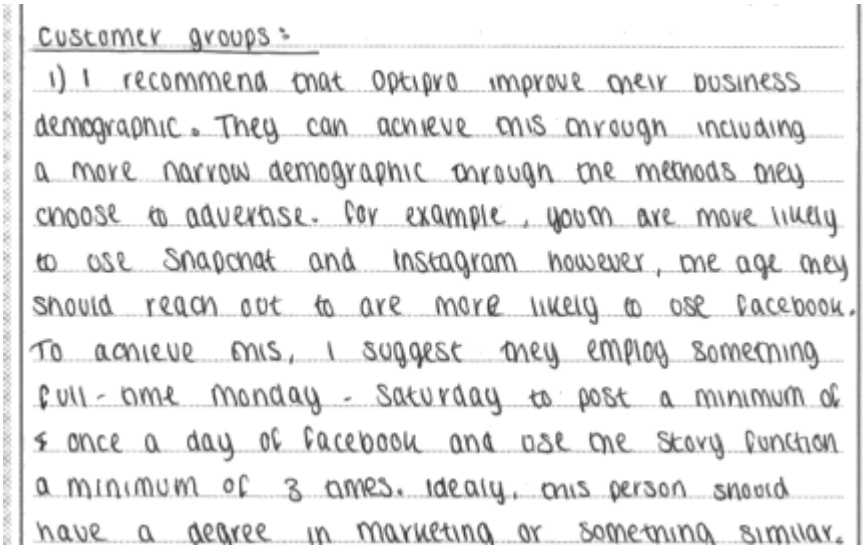
Trait 4: BUSINESS

- Sustainable - reduce costs/alternative ways to deliver outcomes with reduced cost
- Staffing– additional courses/training for MD/other new staff to grow business – sales person
- Increase the range of gyms being targeted
- Updating and development – (e.g.) – Legal regulations – product is in date/safe manufacturing

KEY POINT

Recommendations should be clear and be suitable for the business to achieve however this section is for **recommendations only**, **not for justifications** as to why the recommendation would be suitable. **Justifications here will not be credited**, this information needs to be placed in activity 4, with a clear link to the justification made in Activity 3.

Examples of candidate responses for this activity



Customer groups:

1) I recommend that Optipro improve their business demographic. They can achieve this through including a more narrow demographic through the methods they choose to advertise. For example, youth are more likely to use Snapchat and Instagram however, the age they should reach out to are more likely to use Facebook. To achieve this, I suggest they employ someone full-time Monday - Saturday to post a minimum of once a day of Facebook and use the Story function a minimum of 3 times. Ideally, this person should have a degree in marketing or something similar.

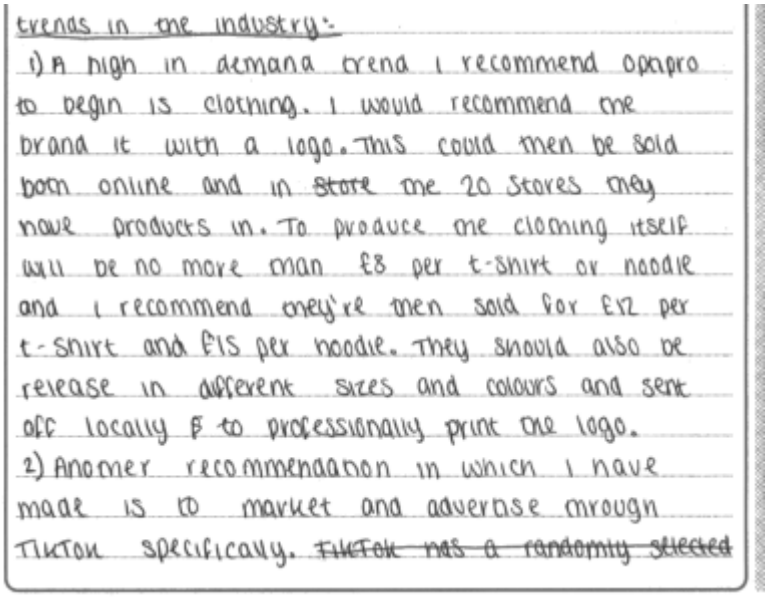
This recommendation for customer group starts by looking at the reasons (justificationos) fo use of particualr social media on the targetd group (youth are more likely to use snapchat/instagram). this would not be credited, as its reasons. This resposnce will score marks for the following points made:

1. Include a more narrow demographic
2. Employ someone (with a degree in marketing) full time (mon- sat) to post a min of once a day, and story board 3 x day

The response needs additional detail to score higer bandings. E.g.

1. What is the demographic target ?
2. What would they post?
3. What insentives could their be for the target audience?

The key is to put down as many specifics as possible, and in activity 3 not cloud the response with justifications.



trends in the industry:-
i) A high in demand trend I recommend Opapro to begin is clothing. I would recommend the brand it with a logo. This could then be sold both online and in ~~store~~ the 20 stores they have products in. To produce the clothing itself will be no more than £8 per t-shirt or hoodie and I recommend they're then sold for £12 per t-shirt and £15 per hoodie. They should also be release in different sizes and colours and sent off locally & to professionally print the logo.
2) Another recommendation in which I have made is to market and advertise through TikTok specifically. ~~TikTok has a randomly selected~~

This element of the response would band 3 (bottom). Its includes a lot of 'what to do' suggestions for the opportunity of 'clothing range'

- 1 brand will have a logo
- Sold online and in 20 gyms
- £12.00 per T shirt and 15.00 per hoodie
- Range of sizes and colours
- Professional printers for logo

To score top marks examples of the colours, and size range, how they can be purchased (bundles/discounts) could be included. The more specific detail, the higher the score here. Including for example a target audience for this merchandise, and/or distribution costs would support the response

Mark scheme for activity 3

Activity 3

Assessment focus	Band 0	Band 1	Band 2	Band 3	Band 4
Recommendations	0	1–5	6–10	11–14	15–20
	No rewardable material.	• Recommendations are generic, with limited reference to the development and marketing of the business. • Recommendations demonstrate limited consideration for meeting the needs of customers. • Recommendations demonstrate limited consideration for meeting trends in the industry. • Recommendations demonstrate limited consideration for meeting the needs of the business.	• Overall, recommendations are basic with reference to the development and marketing of the business. • Recommendations demonstrate basic consideration for meeting the needs of customers, supported by examples. • Recommendations demonstrate basic consideration for meeting trends in the industry, supported by examples. • Recommendations demonstrate basic consideration for meeting the needs of the business, supported by examples.	• Overall, recommendations form a sound plan with reference to the development and marketing of the business. • Recommendations demonstrate sound consideration for meeting the needs of customers, supported by relevant examples. • Recommendations demonstrate sound consideration for meeting trends in the industry, supported by relevant examples. • Recommendations demonstrate sound consideration for meeting the needs of the business, supported by relevant examples.	• Overall, recommendations form a comprehensive plan with reference to the development and marketing of the business. • Recommendations demonstrate detailed considerations for meeting the needs of customers, supported by detailed examples. • Recommendations demonstrate detailed consideration for meeting trends in the industry, supported by detailed examples. • Recommendations demonstrate detailed consideration for meeting the needs of the business, supported by detailed examples.

Activity 4. Justification

Justify your recommendations for Optipro in relation to:

- ‘Maxtrion and other obstacle events businesses
- The wider business context in the sport and active leisure industry.

This activity heavily focuses on the **WHY,** linked to the recommendations made in Activity 3. Justifications need to be made that support the recommendations regarding how they will improve the business moving forwards. The more detailed the justification here, the higher the banding for trait 1 (see mark scheme below)

This question is marked in isolation to Activity 3 by examiners, however it does link. To ensure that it is clear what recommendation is being justified here candidates are recommended to include this information into the response

For example

Recommendation: To Increase the demographic age to 46-70 year olds

Then make the clear justification as to why this was recommended in activity 3, with reference to external businesses/research

As with previous series the key to moving through the bands for trait 2 for this question links to research to support the justification. This is all about the preparation that takes place through part A of this examination process. Bringing together ideas and recommendations, providing evidence and giving a strong argument for why they should be implemented will move candidates into the higher bandings.

With regards structuring this response, candidates could use the following techniques

1. **What recommendation is the justification linked to (e.g opening the demographic up)**
2. **Trait 1 : Give the reasons why this improve the business (credible ones)**
3. **Trait 2: Link this to some research from Part A (wider business context), or scenario business (Maxtrion– band 2 max for trait 2) to support the point made.**

Examples of responses for this Activity

(12)

customer groups

Customer service. Implementing a customer service email for Optipro would be hugely beneficial for customer satisfaction. Allowing customers to ask questions about products and receive answers shows consideration and care for their needs, this helps to create customer trust, maximising profit. This is also demonstrated through Holland & Barrett. who have a customer question bar on their website. They also won th 'customer service individual of the year 2016' for their dedication to customer satisfaction. This proves that customa satisfaction is a rewardable feature to have, and link to the aims of a private company. Memberships. creating a membership scheme will help customer to have a reason to purchase goods from Optipro, as they will get something back in reward. Having this will also reward customer loyalty, to enhance growth in order to maximise profit. This is demonstrated through SIS (science in sport) a public limited company who offer "Join our Team". The benefits include, training tips. 10% off first order, loyalty points and athletic advice. This proves that membership schemes are also useful in large companys, and can be applied to Optipro overall. this will help to gain customers loyalty to help profit for survival, another aim to keep the business grow grow.

This candidate response would score high band 3. Justifications are sound (e.g. shows consideration and care for customer needs, creates trust, maximising profits,). The key to this response is the sustained links to suitable and linked research. They supporting research helps the justification of the recommendation in both cases, and is specific. Its also uses more than one external source Holland and Barret and SIS).

There is no definitive number of recommendations from activity 3 that need to be justified here, however guidance to examiners ensures that there is enough coverage and sustained links to examples when awarding top marks. The quality of the justifications and the sustained links to external research (vast majority of points justified) have external research to support allows top marks to be awarded.

Mark scheme for activity 4

Activity 4

Assessment focus	Band 0	Band 1	Band 2	Band 3	Band 4
Justify your recommendations	**0**	**1–3**	**4–6**	**7–9**	**10–12**
	No rewardable material.	• Justifications are generic with limited links made to the recommendations given. • Justifications make limited links between businesses and wider business context.	• Justifications are basic with some links to the recommendations given. • Justifications are basic with some links between businesses and wider business context, supported by examples.	• Justifications are sound with clear links made to the recommendations given. • Justifications are sound and make clear links between businesses and wider business context, supported by sound examples.	• Justifications are comprehensive with sustained links made to the recommendations given. • Justifications are comprehensive with sustained links between businesses and wider business context supported by sustained examples.

Summary

KEY POINTS for Preparation for future examinations:

1. Undertake the research element of PART A. Ensure candidates have the 3 businesses researched and their key points for success/how they run
2. Have well developed A4 notes (individually prepared) to support the completion of the exam.
3. Read the scenario carefully, highlighting key points that could be used for activity 1 and 2.

- **Activity 1**: structure the response linking to the specification. Get leaners to look for information linked to **making profit, Survival and Growth, Diversification, Service Provision, Marketing, Customer Service and Satisfaction.** Ensure that research from Part A is used to support this response. Ensure that the information is analysed, and not just regurgitated. Use the data, make calculations and interpret it
- **Activity 2:** plan out the response initially (SWOT). Ensure full coverage of each element. Make sure that threats are external and 'out of control of the business'. **Include research to support points made throughout.**
- **Activity 3: HOW not WHY**. Be able to pick up recommendations and implement them without any questions asked. Must cover all elements (business/customer/tends – 3 of each for top banding)
- **Activity 4: WHY** – give suitable reasons why the recommendations would work, and support this with information from the second business, **and external research.**

Ensure that the research completed in Part A is focused on the activities in the assessment. The activities will never change. They will be in the same order, just linked to a different scenario and business in Part B. The mark scheme will also never change. It will contain the same traits and bandings. Tutors need to make themselves fully aware of the requirements of this task based assessment, by using this report, the SAMs and Additional SAM's.

Pearson Education Limited. Registered company number 872828
with its registered office at 80 Strand, London, WC2R 0RL, United Kingdom